

THIS AMENDMENT:		
_____ Passed _____	Passed as amended by _____	
_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____

GLEASON PROPOSED AMENDMENT # 4

DATE PREPARED: March 21, 2005

COMPANY: Arizona Public Service Company

DOCKET NO. E-01345A-03-0437

OPEN MEETING DATES: March 24 and 28, 2005 AGENDA ITEM: U-1

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Page 21, line 21, after the period INSERT a new paragraph to read:

“Although the Settlement Agreement does not define ‘reasonably estimated market price of conventional resource alternatives,’ this term needs to be clearly defined because of its broad implications for renewable energy costs. Accordingly, we define ‘reasonably estimated market price of conventional resource alternatives’ in any given year to be the sum of the base cost cited in the Settlement Agreement (\$.020743 per kWh) and the PSA rate calculated for the previous year.”

Make all conforming changes.